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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/777,329	02/05/2001	Kenneth S. Wheelock	KSW-PRO-SE-002	2909

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EXAMINER

MOONEYHAM, JANICE A

ART UNIT PAPER NUMBER

3629

DATE MAILED: 03/03/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/777,329

Applicant(s)

WHEELOCK, KENNETH S.

Examiner

Jan Mooneyham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☐ Responsive to communication(s) filed on 12/12/03.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-28 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- 7) ☒ Claim(s) 1 and 3-28 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

**DETAILED ACTION**

1. This is in response to the applicant's communication filed on December 12, 2003, wherein:

Claims 1 and 3-28 are currently pending in this application.

Claim 2 has been cancelled.

Claims 1,3-5, 7-14, 16, 18, 20-23, 25-28 have been amended.

No new claims have been added.

***Response to Amendment***

***Claim Rejections - 35 USC § 112***

2. Claims 3-8,10,11,16, and 20-23 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The applicant has amended the claims and this rejection is hereby *withdrawn*.

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. Claims 1 and 3-28 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The preamble to the claim reads as "a method of doing business comprising the transfer of goods owned by a licensor from said

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licensor to a licensee wherein the goods are claimed in one or more patents owned by licensor and wherein rights in the goods are transferred by means of a license.” Transferring goods is a physical act of moving goods from the possession of the licensor to the licensee. However, neither the specification nor the claims indicate how this physical transfer takes place. A license is an instrument whereby “rights” are transferred. A license cannot physically transfer the goods.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1 and 3-28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

It is unclear as to what the applicant actually claims as applicant’s invention. Reading the applicant’s claims as written, it appears that the applicant is claiming a method of doing business comprising the transfer of goods from a licensor to a licensee. Goods are not actually, physically transferred by the license. The right or privilege to use the goods are transferred by a license. Therefore, if the applicant is actually trying to claim a transfer of goods, then the applicant has failed to provide the steps that carry out the transfer.

It appears that the applicant may be trying to claim the transfer of intellectual property rights to goods through a license.

***Claim Rejections - 35 USC §101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1 and 3-28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claim 1 and 3-28 only recites an abstract idea. The recited steps of transferring goods which are claimed in one or more patents by a legal document, such as a license or lease, does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to transfer a bundle of rights using a legal instrument and thus, are only an abstract idea.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1 and 3-28 are rejected under 35 U.S.C. 102(b) as being anticipated by Erbisich and Maredia, Intellectual Property Rights in Agricultural Biotechnology (hereinafter referred to as Erbisich).

Erbisch discloses a method of doing business comprising the transfer of intellectual property rights in goods from a licensor to a licensee. Terms and conditions are inherent in any license (pages 31-47).

***Claim Rejections - 35 USC § 103***

**See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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7. Claims 1 and 3-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erbisch and Maredia, Intellectual Property Rights in Agricultural Biotechnology (hereinafter referred to as Erbisch).

**Referring to Claims 1, 13, 25, 26, 27, 28:**

Claims 1, 13, 25, 26, 27, and 28 all read on a method of doing business comprising the transfer of goods from a licensor to a licensee or comprising the transfer of goods from a transferor to a transferee by a license in the area of intellectual property.

Erbisch discloses a method of doing business comprising the transfer of goods from a licensor to a licensee or a transferor to a transferee by a license having terms in the area of intellectual property. (see Transferring Intellectual Properties - pages 31-47. Erbisch also discloses the transfer of intellectual property rights which would include patents.

Erbisch does not disclose that the license reserves some or all of the intellectual property rights in the goods to the licensor wherein the licensee is prohibited from using the goods to develop any new intellectual property by the terms of the license are all terms and conditions that are set for the in a license, or that the goods are claimed in one patent or one or more patents, or wherein the license may by assigned, or may be assigned by the licensee to a first assignee, or whereby the license may be further assigned by the first assignee to a second assignee.

However, the examiner takes Official Notice that terms and conditions are old and well known in all licenses. For example, the term of a lease (month to month) or the duration of the lease (six months, one year) or whether the lease provides for a sublease, or whether the lease or license provides for an assignment are all old and well known terms and conditions of a lease. It would have been obvious to one of ordinary skill in the art to draft a license as presented in

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claims 1, 13, 25, 26, 27, and 28 with any or all of the terms and conditions set forth in claims 3-12 and 14-24.

The examiner also takes Official Notice that a lease is an exclusive license and both leases and licenses are contract instruments that convey the right to use or possess to another. A contract, a lease and a license are all legal instruments. A contract is defined in Black Law Dictionary (attached) as an agreement between two or more persons which creates an obligation to do or not to do a particular thing. Therefore, the fact that the licensee is prohibited from using the goods to develop any new intellectual property is merely a condition or obligation not to do a particular thing.

#### ***Response to Arguments***

Applicant's arguments filed December 12, 2003 have been fully considered but they are not persuasive.

#### ***Claim Rejections - 35 USC § 102 and 103***

The applicant argues that because the reference does not teach the condition "wherein the transferee is prohibited from using the goods to develop any new intellectual property," the Examiner has failed to meet all of the limitations of the claimed language and thus the refusal should be withdrawn. The Examiner respectfully disagrees. The fact that the transferee is prohibited from using the goods to develop any new intellectual property is a term or condition that would or could inserted into any legal document.

The applicant argues that the Examiner has failed to make a prima facie case of obviousness since Erbsch discloses a method of doing business comprising the transfer of intellectual property rights in goods from licensor to licensee as opposed to applicant's



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reservation of those rights. The Examiner respectfully disagrees with this assertion. Erbisch discloses that the inventor can contract out some rights, and retain other rights (page 34).

Retaining rights is essentially reserving rights.

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognized that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F. 2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F. 2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

***Claim Rejections - 35 USC § 101***

The applicant argues that by the Examiner making a rejection under 35 U.S.C. Section 112 stating that the claims fail to comply with the enablement requirement, the Examiner is then precluded from making a rejection under 35 U.S. C. section 101 that the claims are directed to non-statutory subject matter. The Examiner disagrees with this argument.

The rejection under 35 USC Section 112 was made because the applicant has cited claims that do not fall within the technological arts. The rejection is made in case the applicant has failed to claim parts of the invention that would, in fact, place the invention within the technological arts. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention if it is, in fact, connected to the technological arts.

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The Examiner admits that transferring goods is a physical process. So is writing a letter. However, until this process is tied to the technological arts, it remains non-statutory.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

Claims 1 and 3-28 are rejected under 35 U.S.C. 101 as non-statutory. The method claims as presented do not claim a technological basis in the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim at least one structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential].

In order to overcome the 101 rejection, applicant's disclosure need to include some type of technology that is used to perform the method steps.

***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

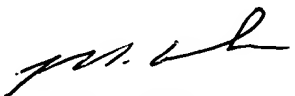
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jan Mooneyham whose telephone number is (703) 305-8554. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (703) 308-2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

JM

  
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